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Microsoft revamps Office for version 12

Microsoft has promised to release Office 12 in July 2006. The new product will have a revamped user interface designed to make it easier to access the many features that most customers rarely use.

With annual sales of around \$11 billion a year, Office rivals the Windows operating system as Microsoft's most important business. However, customers are proving increasingly resistant to the promise of added features as a reason to upgrade. Office 97 still accounts for around 30 per cent of the productivity suite's user base.

Microsoft acknowledges that many Office users are indifferent to the introduction of new features they neither want nor understand. A number of customers have been evaluating cheaper alternative suites such as OpenOffice. "While the Office applications have increased tremendously in power and added functionality in response to customer needs, the core [user interface] has remained substantially unchanged for nearly

20 years," said a company spokesperson. "The command bar in Microsoft Office Word 2003, for example, looks much the same as the command bar in Word 2.0 did in 1998."

The company hopes that what it describes as the "most dramatic change in the way Office applications work since the introduction of the toolbar in 1997" will rekindle customer enthusiasm.

The biggest change will be a context-sensitive 'ribbon' of icons, designed to make it faster and easier to access features that have previously been hidden in pull-down menus and obscure key commands.

"There's no longer a stack of task panes and menus and toolbars to look through. There's just one place to look for commands," said Julie Larson-Green, Microsoft group program manager for the Office User Experience.

Another new interface feature is called galleries. "Galleries give you a visual representation of the kinds of formatting choices you can make in

your document without needing to set a number of individual elements to achieve it," said Larson-Green. "For example, if you want your margins to be wide or narrow or short or tall, you can go to a gallery for a visual image of what that would look like all at once instead of needing to change several items in a dialog box."

Microsoft's decision to overhaul the look and feel of Office so radically carries the risk of alienating long-time users, and Larson-Green said Microsoft has decided not to offer a 'classic mode' with the old-style interface.

"We surveyed customers to find out what would help people [make the] transition, and they told us they really wanted us to help them move forward, rather than doing any kind of classic mode. We've added a lot more functionality in Office 12. We couldn't keep the old command-oriented model and make it easier for users to find new features, so we decided to make a bolder move," she said.

BT answers regulators by opening up local loop

BT has revealed that it will now offer rival telephone and ISP companies "transparent and equal" access to domestic phone lines (known as the local loop), which means consumers will be able to benefit from even more competitive deals. The company has described the move as its "biggest regulatory change" since it was privatised 20 years ago.

BT's competitors have long complained that BT unfairly used its ownership of the infrastructure connecting homes to local exchanges to limit competition. Ofcom, the UK regulatory body, agreed. "Ofcom believes that the combination of

upstream market power and vertical integration provides BT with both the ability and the incentive to discriminate against its downstream competitors, who are also its wholesale customers," it said.

After a long battle with Ofcom, BT finally agreed to make access to the local loop a level playing field for everyone. This move promises lower prices for telephony and internet access. BT says it plans to launch an independently operated company called Openreach in January, which will have its own HQ, a staff of 30,000 and even its own corporate logo.

Openreach will be responsible for giving other communications companies fair access to its networks. Openreach will remain part of BT and is expected to contribute annual revenues of around £1 billion, making it the company's second largest business.

BT has appointed the former director of its wholesale services, Steve Robertson, as Openreach CEO. "The local BT network is one of the UK's most important assets and my role is to ensure everyone has equal access to it. My team will be responsible for ensuring tens of millions of homes and businesses have access to the wider world and to faster and more exciting services in the future," said Robertson, who described the founding of Openreach as a "defining moment" for BT.

Ofcom chief Stephen Carter warned BT that "the new management of Openreach and the Equality of Access board must now deliver – and be seen to deliver".



Microsoft divides to conquer

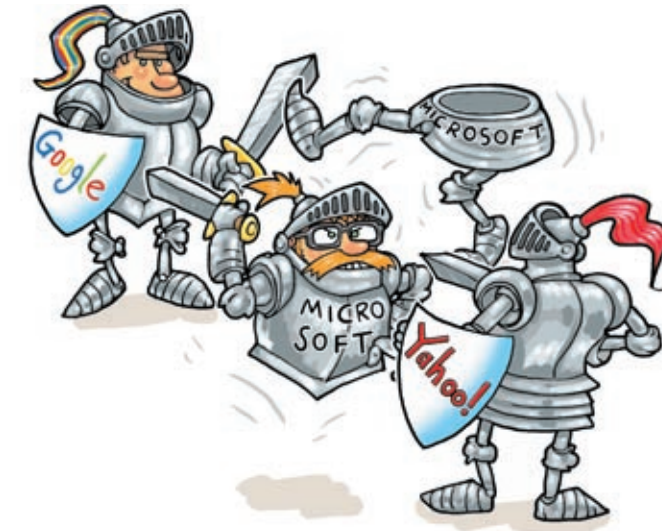
Microsoft has announced a company-wide reorganisation to combat the growing threat from Google and Yahoo! in the consumer market and emerging web services arena.

Microsoft has set up three enormous divisions, each with a president who reports directly to the company's CEO, Steve Ballmer. The new Entertainment and Devices division oversees the Xbox and other mobile devices, while the Business division looks after Office and other Microsoft business applications.

The most significant part of the reorganisation is the formation of the Platform Services division. Microsoft has integrated its Windows Client, Server and Tools businesses with its MSN business. These changes mean the Windows and Office teams are now run separately, a situation that the US government anti-trust suite against Microsoft failed to bring about.

"Our goal in making these changes is to enable Microsoft to achieve greater agility in managing the growth ahead and executing our software-based services strategy," wrote Ballmer in a company email. Ballmer's reference to software-based services was highly significant.

Bill Gates's company faces an encroachment into its core Windows desktop market and the possible marginalisation of Windows as the core technology in PCs, as developers begin making new applications that build on web services such as Google Maps (see *Programming Expert*, page 262). Simple web service-based applications range from widgets that predict the weather to share-price trackers. In both cases, the applications extract data from



websites, removing the need for a user to visit the site with a web browser. Google's Desktop Search application is another such program.

If these developments appear peripheral when set against the enormous base of PCs that run Windows, Office and third-party Windows applications, Microsoft's move demonstrates how seriously the company regards what could be a new direction for the IT market.

Microsoft has repositioned MSN as another platform for developers, alongside Windows. It has opened up MSN APIs in a bid to encourage third-party developers to use MSN's online resources, such as Search and Virtual Earth, rather than those of its competitors. Microsoft previously made APIs for its MapPoint mapping service available to third parties.

Microsoft's problem is to find a way of making MSN more attractive to developers without compromising its focus on maintaining Windows

and Office as the premier platform for third-party applications.

Jupiter Research analyst Joe Wilcox warned Microsoft might hamper MSN's ability to compete with Google and Yahoo! by tying it into its giant Windows business. "My concern is MSN will slow down its rapid-fire development, which in the past put it ahead of Windows with technologies such as Desktop Search. I would caution [Microsoft about] absorbing MSN into Windows development and thus killing off the innovation," he said.

Another Jupiter analyst, David Card, compared Microsoft's reorganisation to "rearranging the deck chairs on the Titanic". "If you look at it from the very top down, MSN is now in the Windows group. Big deal. I doubt a change that high up will be more meaningful than the one when it split MSN into the advertising-supported portal business and the communications services business," he said.

Watford buys Tiny

Watford Electronics has bought the bust PC company Tiny Computers. Tiny was one of the country's best-known home computer brands when its parent company, Granville Technology, went into administration at the end of July.

Watford, which claims now to be the UK's largest PC manufacturer, told *Shopper* that it intends to support all existing Tiny customers. "We're asking all customers who have an outstanding warranty to register their details with us," said a

spokesperson. "We'll contact each and every one as soon as a decision regarding the provision of ongoing support has been made."

As we went to press, Watford's www.tinyprices.co.uk website was offering existing customers the chance to receive information about applying for an extended warranty, the cost and provisions of which the company has not yet confirmed.

NEWS

BRIEF

■ RETRO LOOK FOR IPOD

The now-discontinued iPod Mini has been found to be remarkably similar to a 1950s transistor radio called the Regency TR-1. The similarity was noticed by John Ousby, who posted photographs of both devices at www.flickr.com/photos/ousby/48700851.

The TR-1's main design feature was a prominently featured circular dial used for tuning into different radio stations. The choice of colours included pale blue, pink, green and a greyish white. Apple boss Steve Jobs brushed off allegations of plagiarism, repeating Picasso's famous dictum: "Good artists borrow, great artists steal."

■ SUBWAY BLOGGER FORCED UNDERGROUND

A blogger who provided maps of the New York and San Francisco subway systems for use on iPods has been ordered to stop by the cities' authorities. William Bright received letters from lawyers for New York's Metropolitan Transportation Authority (MTA) and the San Francisco Bay Area Rapid Transit District ordering him to remove the maps from his iPodSubwayMaps website or risk prosecution for copyright infringement. Bright complied, but said he was "disappointed" as he was not making any money from the service, save \$1 from advertising on his site. "This was supposed to be for fun," he said.

■ DISNEY TO LAUNCH MP3 PLAYER

The mobile music player market may already be crowded, but it is to get a new entrant: Disney Corporation. Apple executives may not lose too much sleep over this latest threat to their current iPod-led market dominance, but Disney is hopeful of carving out its own kid-shaped niche.

The new players, dubbed Disney Mix Sticks, will be aimed at children and feature 128MB of storage for MP3 files. The storage will be available via a memory card, with 1GB cards also being sold. Available in the US at \$50 (around £28), the Forever Princess and Sassy Pixie versions should be on Disney's online store by the time you read this.



NEWS

BRIEF

■ SKYPE GETS PERSONAL

Internet-telephony giant Skype has launched version 1.4 of its software, giving users new personalisation options and adding Call Forwarding features. New features have the potential to boost Skype's revenue streams, which its new owner eBay (see right) would no doubt gratefully receive.

Call Forwarding enables the user to do just that: forward calls to another Skype name for free, or to fixed or mobile lines at SkypeOut rates. There is no charge to the caller. The personalisation features at personal.skype.com allow you to download images and ringtones.

At the moment, there are a couple of free samples available, but commercial ones will soon be available costing as little as €1 (around 68p).

■ MICROSOFT SUES EC IN ANTI-TRUST CASE

Microsoft has fought back in its long running European anti-trust battle by suing the European Commission (EC).

The software company wants to overturn the EC's ruling that Microsoft should offer versions of Windows without Windows Media Player (WMP) and must make its server software APIs available to third parties.

Microsoft has been ordered to implement the EC's orders even while it appeals.

■ US PATENT OFFICE UPHOLDS EOLAS PATENT

The US Patent Office has upheld a controversial Eolas patent for running programs from across the internet. The announcement is a blow to Microsoft, which is engaged in a long-running dispute with Eolas and the University of California, the organisations that sued the software giant over patent infringement.

Disputed patent 5,838,906 describes technologies that let browsers call programs over the internet, such as Microsoft's ActiveX. This technique is used to display a range of multimedia content such as streaming audio and video in a web page.

eBay bid wins phone firm Skype

Online auctioneer eBay has bought Skype for \$2.6 billion (around £1.5 billion). The company bought the internet telephone firm in an attempt to "create an extraordinary environment for business on the net," according to eBay CEO Meg Whitman. The price could rise to as much as \$4.1 billion (£2.3 billion) if Skype meets earning targets.

The deal gives Skype the sort of powerful backer needed to face off giants such as Google, Yahoo! and MSN, all eyeing the market for free telephony over the internet. However, many analysts were puzzled as to what the deal had to offer eBay's core businesses in online auctions and money payments.

Whitman maintained the move would enable eBay to integrate free telephony into its main auction service, providing another way for buyers and sellers to communicate and helping to build relationships between them. "Communications is at the heart of e-commerce and community," she said. eBay also planned to charge merchants up to \$12 (around £7) each time a



potential customer clicks on a Skype link to call a supplier, in an internet-inspired reverse of cold calling.

There was some doubt about why eBay didn't simply license Skype's technology. "I'm not sure if eBay really needs to buy a company like Skype to add another form of communications to its service," said Jupiter Research analyst Ian Fogg. "You don't need to own an email company to encourage users to use this form of communication. A partnership would suffice," he said.

Analysts were concerned that eBay had paid too much for Skype, a two-year-old company that had sales of just \$7 million (£4 million) last year, although eBay predicted its sales would reach \$200 million (£114 million) during 2006. If this happens, it will have grown faster than eBay or PayPal did in their first two years, according to eBay's CFO, Rajiv Dutta. eBay believes Skype is another revenue earner, just like its PayPal business, even though there is less apparent compatibility between Skype and its existing business than was the case with PayPal.

Ovum analyst John Delaney was not convinced, saying, "eBay has definitely overpaid for Skype". He added that it would have been cheaper for eBay to build its own internet telephony business from scratch. Other analysts suggested that eBay bought the company to expand its customer base outside the US. Skype has around 53 million registered users, more than half of whom are based in Europe and a quarter in Asia. In contrast, eBay's business is overwhelmingly centred on the US.

Windows Vista has pen support written in

Microsoft showed off improvements in technologies such as handwriting recognition in the latest preview of its Windows Vista operating system, which the company hopes will finally encourage the widespread adoption of Tablet PCs.

Microsoft's group program manager for the Tablet PC, Ian LeGrow, acknowledged people had become "frustrated" by problems such as poor handwriting recognition when using Tablet PCs. Since it was launched in 2002, sales of Tablet PCs have been tepid, reaching just one million units by the end of 2004. IDC predicts sales will reach only 600,000 for the whole of this year.

The new handwriting recognition software will analyse the individual user's scrawl to recognise it better. This approach is more accurate than using a database of handwriting types to recognise human script, and it's a sensible move when paired with powerful hardware.

Microsoft showed off other new features expected to appear in Vista, such as the introduction of pen 'gestures' for commands such as sending emails or navigating a web browser. Feedback for pen commands has also been added; the cursor icon transforms into a water droplet that ripples to confirm that the pen tapping the screen has made the equivalent of a mouse click.

Microsoft said it would add an auto-complete feature to the pen-based interface, which already exists in the keyboard version of Windows.

Microsoft said it wanted to make Pen Computing a more central part of Windows by making pen-specific features a standard part of Vista. Currently, Tablet PCs require a special edition of Windows XP.

"Developers have had problems redistributing Tablet PC technology. In part to address this, Tablet PC technologies are ubiquitous across all Windows Vista editions," wrote Microsoft on its website.

■ For more on the top 10 Windows Vista features, see page 220



Yahoo! helps jail Chinese journalist

Human rights groups have condemned Yahoo! for its role in the jailing of dissident Chinese journalist Shi Tao, who faces 10 years in prison. His crime was to email a New York-based website the Chinese government's secret instructions to journalists on how they should write about the anniversary of the Tiananmen Square protests in 1989.

Yahoo! is the latest US media company to have helped the Chinese government in repressing its citizens. Microsoft's MSN, Google and other search engines cooperate with Beijing to censor the internet.

In June Microsoft came under fire for censoring Chinese bloggers who used words such as 'freedom', 'democracy' and 'demonstration' on its MSN Spaces service. Cisco sells thousands of routers that help Beijing clamp down on and monitor the flow of data in and out of China. Rupert Murdoch's Star TV satellite dropped BBC content from its

schedule in China after it included reports critical of the government.

Human rights groups say Yahoo!'s behaviour is worse. "It is one thing to turn a blind eye to the Chinese government's abuses and it is quite another thing to collaborate," said Reporters Without Borders. Yahoo!'s Hong Kong subsidiary provided vital information that helped Beijing track down Chinese journalist Shi Tao and send him to jail for 10 years. Tao had used a Yahoo! email account.

"We already knew that Yahoo! collaborates enthusiastically with the Chinese regime in questions of censorship, and now we know it is a Chinese police informant as well. Yahoo! appears to be willing to go to any lengths to gain shares of the Chinese market," said Reporters Without Borders. Yahoo! recently bought a \$1 billion stake in Chinese online giant Alibaba.com.

Yahoo! co-founder Jerry Yang said: "I do not like the outcome of

what happens with these things, but we have to follow the law... To be doing business in China, or anywhere else in the world, we have to comply with local law.

"We don't know what they want that information for, we're not told what they look for," he continued. "If they give us the proper documentation and court orders, we give them things that satisfy both our privacy policy and the local rules."

With a quarter of the world's population, a rapidly growing middle class and consumer market and 100 million internet users, China is a major prize for most corporate giants. They have tried to overlook the fact that more than 250,000 people are imprisoned in labour camps, according to the US State Department. The New York-based Committee to Protect Journalists said China has more journalists in prison than any other country in the world, for the sixth year in the row.

UK data firm warns of danger of selling old disks

UK data recovery specialist Disklabs retrieved sensitive personal data from many of the 100 hard disks and 50 memory cards it bought on eBay as part of a study into security.

Disklabs found confidential information including online banking passwords, email and home addresses, phone numbers, CVs and entire letters on second-hand media it bought online. According to Disklabs, the sellers included not just individuals and small businesses selling old hard disks and memory cards, but large corporations and even government agencies. Schemes to recycle computers could also leave people and companies at risk.

According to Disklabs, the problem arises from a common misunderstanding of how data is removed from hard disks. Deleting a file merely hides it from the user

and tells the computer that the space in which the data is stored can be overwritten in future. It doesn't immediately remove the data, which can be recovered easily.

"The results were astonishing," said Disklabs director Simon Steggle, who is critical of people and businesses that trade large volumes of insecure data. "It seems that traders, who claim to be professionals, either couldn't be bothered to erase the information or were not aware that simply pressing Delete does not get rid of the memory."

By selling old hard disks and memory cards, individuals, businesses and government agencies are putting themselves and even national security at risk, even when they use commercial disk-wiping software. The US Department of

Defense recommends wiping a disk four times, but even this isn't enough to guarantee that data is destroyed.

US watchdog the National Association for Information Destruction (NAID), says there is only one truly reliable way to make sure highly confidential data remains secure. "We only give our approval to physical destruction of the hard drive," said NAID executive director Bob Johnson. He warned that "unless this is done a certain way, even that can be an ineffective approach".

Meanwhile, Scanit, a Dubai-based security company, found that businessmen were leaving vital information on PCs in airport lounges. Rather than using web-based email services and clearing the cache, many executives overlook the fact that emails sent using Outlook are stored in a Sent folder.

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GOOGLE LEAKS NEW WIFI SERVICE

Google looks set to become a wireless internet provider. Pages discovered on its website at <http://wifi.google.com/faq.html> include an FAQ for a product called Google Secure Access, which is described as "application that allows users to establish a more secure WiFi connection".

It adds: "Google Secure Access connects Google's Virtual Private Network... your internet traffic will be encrypted, preventing others from viewing the information you transmit." It also appears that Google will not charge for the service.

BBC TRIALS TV AND RADIO DOWNLOADS

A new service that allows people to catch up with the BBC's TV and radio output up to seven days after the original broadcast is about to go on trial.

The BBC will be testing its interactive Media Player (iMP) service for broadband-enabled viewers, which will allow them to download and watch or listen to programmes. The trial is being run with a test sample of 5,000 viewers and listeners. The broadcaster says it has received a "phenomenal response" following its call for test volunteers.

RIAA ISSUES WRITS TO UNIVERSITY USERS

The US music industry group the Record Industry Association of America (RIAA) has fired off over 750 lawsuits against students and others who have been downloading music for free from P2P networks.

The individuals, including computer network users at 17 different colleges throughout the US, are accused of copyright infringement. RIAA says that the people concerned not only used P2P networks such as Grokster, Kazaa and eDonkey, but also used the student-run i2hub P2P network to distribute music.

The RIAA says this is the third time the industry has taken action to combat copyright infringement via the Internet2 university computer network. There have been 560 lawsuits at 39 campuses so far this year.



NEWS

BRIEF

■ APPLE ACCUSES MUSIC BOSSES OF GREED

Apple boss Steve Jobs warned that record industry pressure could lead to higher prices at its iTunes Music Store, an outcome he warned could kill off the market for legal music downloads. "If they want to raise the prices, it means that they are getting greedy," he said.

Despite iTunes' success in establishing a market of paid-for song downloads, the four major labels, Sony BMG, EMI, Warner and Universal, resent Apple's insistence on charging a single price for single track downloads.

"There's no content in the world that has doesn't have some price flexibility," said Warner CEO Edgar Bronfman. "Not all songs are created equal. Not all albums are created equal."

■ FIREFOX NO SAFER THAN IE

Firefox can no longer be considered a safer browser than Microsoft's Internet Explorer, according to a report by security specialist Symantec.

During the first half of 2005 it recorded 25 vulnerabilities in Firefox and other browsers based on the same Mozilla code, 18 of which were ranked as severe. By contrast, IE suffered from just 13 vulnerabilities, eight of which were severe. Symantec acknowledged, however, that "no widespread exploitation of any browser except Microsoft Internet Explorer has occurred".

■ BPI AIMS AT IT MANAGERS

The British Phonographic Industry (BPI) is turning its attention to corporate IT managers as it continues its fight against unauthorised file sharing. The UK record industry's main representative body is sending a booklet to the country's largest employers, warning them of the potential cost of file sharing in the workplace.

"Illegal filesharing in the workplace not only wastes employee time, it may also open up employers to the risk of litigation," said BPI chairman Peter Jamieson. "We want to help them avoid that risk."

TV coming to mobile phones

You will soon be able to use your mobile phone as a miniature TV, if a UK trial finds it is technically feasible and users are willing to pay for it.

The mobile networks are desperate to recoup enormous investments in infrastructure. Companies such as Orange and 3 already offer limited access to live TV, broadcast over their 3G networks. But maintaining a steady signal of such bandwidth-heavy content has not always been easy.

A new trial conducted by O₂, Arqiva (formerly NTL Broadcast) and Nokia is said to be the "UK's first trial of full multi-channel mobile TV" and bypasses existing cell networks. A Nokia 7710 smartphone with a digital TV receiver picks up signals using the Digital Video Broadcasting Handheld (DVB-H) specification. This has been specially designed for handheld devices. The trial is being conducted with 400 people in Oxford and offers 16 channels including BBC, ITV, Channel 4 and Sky.

Television would be the latest volley in an escalating features-war that handset makers are conducting to stimulate sales. Networks are also desperate to increase revenues per customer by adding services.

"Increasingly, new forms of content are making their way on to mobile devices. Music, in particular, is already booming and the latest buzz is about television," said O₂ chief technology officer Dave Williams. He predicted there would be "many millions of mobile TV viewers worldwide by 2010".

Part of the trial's remit is to find out if people want TV on their phones, given that the screen will be small. Apple has so far declined to produce a Video iPod, citing research that shows little consumer demand for such devices.

Another problem is battery life. Mobile phone users will not be happy if watching TV leads to a dead battery and means they cannot make important calls. Supporters of DVB-H claim that handsets will be able to run for eight hours of continuous broadcast between charges. There is also the potential for irritation if someone calls you in the middle of a broadcast.

Since launching its 3G mobile TV service in May, Orange said that 36 per cent of its customers had watched TV on their mobiles during lunch breaks, 18 per cent had watched it while commuting and 12 per cent had watched while queuing



or waiting for friends. Ten per cent had even watched it at home.

Network operators are banking on next year's World Cup to kick-start the service. Pricing will also be crucial. Industry watchers have predicted a flat fee of about £10 per month to watch TV coverage that is usually free will be low enough to create a demand for mobile TV.

Pixels pay off for British student

A British student has shown that there's still easy money to be made on the internet for anyone ingenious and barefaced enough to give it a go. Searching for a way to clear his overdraft and pay for college, 21-year-old Alex Tew came up with the MillionDollarHomePage.com, a web page offering advertising space at the rate of \$1 per pixel to be displayed for at least five years. The page displays one million pixels, hence the name.

On the day the site was launched, Tew wrote on the site's blog: "I thought, this could be

something crazy enough to work! Because I think people like crazy and quirky ideas. If this captures people's imaginations and people check out the site, then the pixels on the homepage will have value and people will buy them (to display their ads)."

A month after the page's launch in August, the concept had caught on so rapidly Tew had sold 100,000 pixels in 100 pixel blocks. "Anything smaller would be too small to display anything meaningful," he said. This netted him just over £56,000 at current exchange rates.

By the beginning of October, he had sold nearly 250,000 pixels.

The page currently advertises a number of online betting services, remortgage offers and sundry ISPs, small businesses and blogs.

Tew promoted interest in his idea by emailing friends and the media. Within a couple of weeks, he had attracted so much interest that he had to hire someone to administer the site for him.

"The site will be online for five years guaranteed (at least until 26th August 2010). However, the aim is to keep the site online forever, or as long as humanly possible. The idea is to create... an internet time capsule: a home page that is unique and permanent. Everything on the internet keeps changing so fast, it will be nice to have something that stays solid and permanent for many years," he wrote.